

STANDING COMMITTEE ON PROGRAMMES AND FINANCE

Thirty-fifth Session

INFORMATION ON THE BUILDINGS FUND ACCOUNT

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Background

1. At its 109th Session, the Council adopted Resolution No. 1373 of 27 November 2018 on a plan for the Headquarters building. Following the development of the project, at its 111th Session, the Council adopted Resolution No. 1391 of 24 November 2020 on the new Headquarters building, which approved the final construction budget level of CHF 72 million for the mortgage application, recognizing that IOM would also be responsible for other related costs that could not be included in the mortgage arrangements.
2. As the Headquarters building process has progressed, the Administration has provided information on the total projected costs of the Headquarters building project through regular updates to the Standing Committee on Programmes and Finance. In its update to the Thirty-third Session of the Standing Committee (document S/33/6 – Plans for the IOM Headquarters building: update 9), the Administration noted the need to cover part of the project costs to be funded by IOM via different sources of income, including existing budget lines and, if needed, funds from the Operational Support Income (OSI) reserve.
3. Furthermore, the Administration recognizes the need to maintain adequate standards in terms of security, staff safety and welfare, accessibility and disability inclusion for all IOM premises, including field office premises, which may require IOM to enter into obligations impacting more than one financial year. Adherence to such standards is of crucial importance for the Organization's operations and the well-being of its staff and beneficiaries.
4. Article 8 of the IOM Financial Regulations provides that trust funds, reserves and special accounts may be established by the Director General for specific purposes.

Buildings Fund Account

5. The Director General plans to establish the Buildings Fund Account to enable adequate funds to be secured to:
 - (a) Cover costs related to the new Headquarters building that are not funded by the study loan or construction loan from the host State or other sources, including the temporary relocation of staff at Headquarters during the period of demolition and rebuilding of the current Headquarters building, the subsequent occupancy of the new building and future refurbishments and renovations;
 - (b) Cover costs related to investments for the purchase or construction of field office premises or the renovation, refurbishment and necessary upgrade of existing premises in need of improvement that cannot be covered by other funding sources.
6. The Director General will establish a transparent mechanism for reporting on both components of the Fund (Headquarters and field office premises) within the annual Financial Reports of IOM.
7. The Buildings Fund Account is foreseen to be funded via an initial allocation from the OSI reserve, and may be replenished via various sources, including voluntary contributions from Member States and other donors, income arising from the sale of existing premises and drawdowns or allocations of funds from the utilizable amount of the OSI reserve (in line with Council Resolution No. 1390 of 24 November 2020 on budget regulations and practices).

8. As outlined in document S/35/10 (Plans for the IOM Headquarters building: update 11), IOM staff will be relocated to temporary premises for three and a half years (January or February 2026 to June 2029) while the new Headquarters building is being built. This is referred to as the swing move. In addition, the cost of mobile equipment, IT equipment and furniture for the new Headquarters building is excluded from the construction budget and host State loan. The total cost of furniture, fittings, equipment, the swing move and the costs for project and risk management is budgeted at CHF 34.4 million for the period 2022–2029, excluding the cost of estimate of potential risks currently recorded in the risk register of the Headquarters building project.

9. Out of the currently projected total cost of CHF 34.4 million to be covered by IOM, CHF 2 million has been covered via existing IOM budget lines during the period January 2022–September 2024. It is expected that an additional CHF 2.6 million will be covered by available funding sources up to and including 2029. To fund the remaining balance of CHF 29.8 million, the Administration will require an allocation from the OSI reserve to the Buildings Fund Account, which corresponds to USD 34.8 million at the current United Nations operational rate of exchange.

10. In addition, an estimated allocation of USD 5 million is foreseen for one-time investments for the purchase, construction, renovation, refurbishment and necessary upgrades of field office premises.

11. In accordance with paragraph 21 (h) of the budget regulations adopted by the Council in Resolution No. 1390, the Administration may put forward proposals to the Member States in the annual budget or its revisions for the utilization of funds from the reserve.

12. In view of the foregoing, the Administration wishes to inform the Member States that it intends to include the request to allocate USD 39.8 million from the utilizable amount of the OSI reserve to the Buildings Fund Account in the Revision of the Programme and Budget for 2025, to be presented during the Thirty-sixth Session of the Standing Committee on Programmes and Finance in June 2025.

13. To facilitate timely coordination and consultation, the draft Standing Committee resolution, including proposed draft wording that would be added, is presented in the Annex to this document for consideration by Member States, noting that the US dollars equivalent of the CHF 29.8 million to be covered by the OSI reserve allocation may need adjustment at the time of preparation of the Revision of the Programme and Budget for 2025.

Annex

DRAFT RESOLUTION ON THE

REVISION OF THE PROGRAMME AND BUDGET FOR 2025

(Submitted by the Administration to the Standing Committee on Programmes and Finance for consideration under item X of the provisional agenda (S/36/X))

The Standing Committee on Programmes and Finance,

Acting pursuant to Council Resolution No. XXX of XX November 2024 and in accordance with paragraph (c) of its terms of reference,

Having considered the Revision of the Programme and Budget for 2025 (S/36/X),

1. *Approves* the Programme for 2025, as revised;
 2. *Adopts* the Budget for 2025, as revised, in the amount of XXXXX Swiss francs for the Administrative Part of the Budget and XXXXXX United States dollars for the Operational Part of the Budget;
 3. *Authorizes* the Director General to incur obligations and make expenditures arising from any increase in activities, within the limits of available income, notwithstanding the provisions of paragraph 2;
 4. *Requests* the Director General, without prejudice to the Director General's authority to draw down funds from the Operational Support Income reserve pursuant to Council Resolution No. 1390 of 24 November 2020 and Standing Committee on Programmes and Finance Resolution No. 31 of 28 June 2022, to allocate 39.8 million United States dollars from the Operational Support Income reserve to the newly established Buildings Fund Account, to be used as follows:
 - (a) An allocation of 34.8 million United States dollars to cover costs related to the new Headquarters building that are not covered by the study loan or construction loan or other sources;
 - (b) An allocation of 5 million United States dollars to cover costs related to purchase or construction of field office premises or the renovation, refurbishment and necessary upgrade of existing premises in need of improvement that cannot be covered by other funding sources;
 5. *Invites* the Director General to submit to the Council at its next regular session a summary update on the Programme and Budget for 2025;
 6. *Reaffirms* the desirability of universal participation in the financing of the operational activities, and appeals to Member States, other interested States and donors to provide additional funds.
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